REMARKS

Claims 1 - 8, 12, 13, 24 - 28, and 31 - 33 are now pending in the application.

Applicants would like to thank the Examiner for the courtesies extended in the telephonic interview of April 26, 2004, to the Applicant's representative Jason A. Heist. In the telephonic interview, the amendment to claims 1 and 3 which calls for a ratio of Pr with respect to a total mass of R is in the range of 20-60% was discussed with respect to the Panchanathan reference. The Examiner indicated that such an amendment appeared to overcome the art of record. As such, the Examiner is respectfully requested to reconsider and withdraw the rejection in view of the amendments to claims 1 and 3 and remarks contained herein.

REJECTION UNDER 35 U.S.C. § 103

Claims 1 – 8, 10, 12, 13, 24 – 28, and 30 - 33 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Panchanathan (Panchanathan, US Patent No. 5,725,792). This rejection is respectfully traversed.

Claims 1 and 3 have been amended to call for "a ratio of Pr with respect to a total mass of R is in the range of 20 – 60%." This subject matter is described at page 12, line 35 to page 13, line 2 of the specification of the application where it states, "Moreover, it is preferable that R includes Pr and its ratio to the total mass of R is 5-75%, and more preferably 20-60%. This is because when the ratio lies within this range, it is possible to improve the coercive force (coercivity) and the rectangularity by hardly causing a drop in the remanent magnetic flux density."

In contrast, Panchanathan teaches at column 1, lines 36-40 that, "The magnets are made from an alloy composition having by weight as follows: from about 5% to about 25% total rare

earth metal ("TRE"), with at least 95% of this constituent being essentially being neodymium and the remainder being essentially praseodymium." (emphasis added)

In view of the above, Applicants respectfully assert that the claimed magnetic powders called for in claims 1 and 3 are different from the magnetic powder taught by Panchanathan. Further, Applicants respectfully assert that the claimed magnetic powder with a ratio of Pr with respect to a total mass of R in a range of 20-60% provides an advantage in achieving a higher coercive force. This is exemplified by the claimed coercive force being in the range of 430 – 750 kA/m, which is higher than the coercive force achieved by example N of Panchanathan, which only achieves a coercive force of 399.5 kA/m.

Still further, Applicants respectfully assert that Panchanathan contains no teaching, suggestion, or motivation to utilize ratio of Pr with respect to a total mass of R in the range of 20-60%. Since there is no teaching, suggestion, or motivation to utilize such a magnetic powder, the claimed invention would not have been obvious. Accordingly, reconsideration and withdrawal of this rejection is respectfully requested.

CONCLUSION

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider and withdraw all presently outstanding rejections. It is believed that a full and complete response has been made to the outstanding Office Action, and as such, the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested. If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 641-1600.

Respectfully submitted,

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v**/**ey, Reg. No. 27 Reg. No. 40,34**4**

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